

INSTRUCTIONS
FOR
COMPLETING FORMS

B-2 AGENCY SUMMARY AND CERTIFICATION

After the full budget request has been completed for every program and entered into the system, individual program requests must be summarized on the B-2 "Agency Summary and Certification." Include the electronic version of the B-2 form, instead of the Excel version, when submitting the budget request for your agency to DFM and LSO. This form lists expenditures as follows:

FY 2006 Total Appropriation	DU 1.00
FY 2006 Actual Expenditures	DU 2.00
FY 2007 Original Appropriation	DU 3.00
FY 2007 Estimated Expenditures	DU 7.00
FY 2008 Total Request	DU 13.00

The form provides total expenditures of all programs at the agency level, agency level FTP information, and a year-to-year comparison at the agency level.

The agency director must sign this form. This will certify that all the information in the budget request including the Agency Receipts (B-11 form), Analysis of Funds (B-12 form), and Wage and Salary Supplement (B-6 form) is accurate.

ORGANIZATIONAL CHART

For many agencies the Organizational Chart will be a multi-page document. The first page of the chart should reflect the agency at the highest level. Subsequent pages should reflect division and program levels. At a minimum, these subsequent pages should reflect numbers of full-time equivalent positions (FTP) allocated by division and program. It is not necessary to include salaries on this organizational chart.

B-4 OPERATING AND MEDICAL INFLATION CALCULATION

Form B-4 provides agencies the opportunity to build a customized inflationary factor for Operating Expenditures and Trustee and Benefit Payments for each budgeted program. Nondiscretionary caseload adjustments will be allowed under the DU 10.70 series. Other nondiscretionary adjustments must now be categorized as part of the inflationary adjustment in the DU 10.20 series. Increases in normal day-to-day operations that are higher than the standard inflation rate such as gasoline, utilities, pharmaceuticals, etc., should be requested on the B-4.

Instructions for completing the B-4 spreadsheet:

1. **Getting Started:** A B-4 template will be prepared for each budgeted program by DFM and LSO directly from the statewide accounting system. After the close of fiscal year 2006 agencies will be notified of the location of an Excel workbook on a state web page. The workbook will contain a two-page template (worksheet) for each budgeted program. PART A of the form will

be on page 1, and PART B on page 2. There will be a separate worksheet by program both for operating expenditures and trustee and benefit payments. The template will contain an expenditure history of operating expenditures and trustee and benefit payments from FY 2003 through FY 2006. The first seven columns of PART A will be completed for the agencies. The remainder of PART A and all of PART B will be filled in by agencies. Calculated cells are in ***Bold Italics***. These cells are not protected, so be careful not to overwrite calculated cells.

PART A on Page 1:

2. **STARS Download:** Columns (1) through (7) are completed from a download from STARS.
3. **FY 2007 Appropriation:** In Column (8), distribute the original appropriation by summary object. Include any new funding received for specific categories in the FY 2007 budgeting process.
4. **FY 2007 Adjustments:** Column (9) allows for any positive or negative adjustments to include reappropriations, supplemental requests, rescissions, Governor's Holdback, fund adjustments (nongovernable adjustments), object and program transfers, and other adjustments.
5. **FY 2007 Estimated Expenditures:** Column (10) should match DU 7.00 on the B-8 for FY 2007 estimated expenditures.

PART B on Page 2:

6. **Operating Expenditures Summary Object:** Column (11) copies the listed summary objects from PART A to PART B.
7. **FY 2007 Estimated Expenditures:** Column (12) is calculated cell and a copy of Column (10) from PART A.
8. **Remove One Time Funding:** Column (13) removes all one-time funding received in the FY 2007 appropriation. This should match the DU 8.40 series.
9. **SWCAP, Nondiscretionary Adjustments, and State Rent:** Column (14) removes the base amounts for Attorney General fees, Legislative Audits, Building Services Space Charge, Risk Management fees, Controller's fees, and State Treasurer's fees. Building Services Space Charges are the amounts agencies pay to lease space in a state building. Also, remove the base amounts for any categories for which the agency will be requesting funding in a nondiscretionary caseload adjustment. Examples of nondiscretionary caseload adjustments are listed on page 27.
10. **FY 2008 Base less Adjustments:** Column (15) is calculated and is the total used to calculate a new inflation factor. The total of Column (15) will **NOT** match the total of DU 9.00 FY 2008 Base.
11. **General Inflation DU 10.21 and % Change:** Columns (16 & 17) apply a general inflationary factor of 1.81% or identify a different amount by summary object necessary for the agency to maintain current operations. Funding related to increased operations must be requested as a line item in the DU 12 series. Fill in each row in Column (17) with a percent change and Column (16) will automatically calculate the associated dollar amount. Show the percent change to the one-hundredth of a percent. Split the increase requested amongst the fund sources that have historically been used to fund that activity. The TOTAL should then be rounded up or down to

the nearest \$100 and transferred to the B-8 in DU 10.21. For example, if operating expenditures are funded at half with the General Fund and half with federal funds then request any increases at the same ratio. If a certain summary object has only been funded with General Funds and there has never been a different fund source then request any increase in the General Fund. If a federal grant is capped, or a dedicated fund source is flat then the agency may request a fund shift in DU 10.29. Please explain any significant increases or decreases in the text box at the bottom of the form. You may expand the explanation to a third page if necessary.

12. Medical Inflation DU 10.22 and % Change: Columns (18 & 19) apply a medical inflationary factor of 3.06% or identify a different amount by summary object necessary for the agency to maintain current operations. Show the dollar amount in Column (18) and the percentage change (to the one-hundredth of a percent) in Column (19). The TOTAL should then be rounded up or down to the closest hundred and transferred to the B-8 in DU 10.22. Please explain any significant increases or decreases in the text box at the bottom of the form. You may expand the explanation to a third page if necessary. *(Only agencies that provide direct medical services to persons will request medical inflation.)*

13. Totals Column (20) is calculated and the total of Column (16) and Column (18).

14. Fund Shifts: If there are insufficient funds in any ongoing sources of revenue then the agency may request a fund shift in DU 10.29. Fund shifts associated with the loss of grant funds must be requested as a line item in the DU 12 series.

B-6 WAGE AND SALARY RECONCILIATION

The B-6 form provides reconciliation between the Wage and Salary Requirements (WSR) report and the appropriation for Personnel Cost for each program. It is also used to calculate the Change in Employee Compensation (CEC). The State Controller's Employee Information System (EIS) will produce and distribute the automated WSR report to agencies at fiscal year-end. EIS will also provide DFM and LSO-BPA with copies of this report. The WSR shows the program Personnel Costs requirements for both the current year and budget year and makes projections of future Personnel Costs from current wage and salary information in the EIS.

Do not submit a copy of the WSR report with your budget request. Both DFM and LSO have copies of this report. The WSR report is sorted by Budget Unit, Fund, and Position. There is also a summary page with totals for each Budget Unit (AU448143). All agencies must submit one B-6 for each fund in each program with Personnel Costs. Please download and use the most current B-6 Excel form from <http://dfm.idaho.gov/>.

Instructions for completing the B-6 spreadsheet:

- 1. Getting Started:** Save the file to your network. Make the necessary copies of the worksheet so you will have one for each fund in each program with Personnel Costs. Calculated cells are in ***Bold Italics***. These cells are not protected, so be careful not to overwrite calculated cells. Make sure to format the spreadsheet to fit on one page by hiding unnecessary rows.
- The following are explanations of the column heading abbreviations on the B-6 form.
 - a) DU.: The decision unit number corresponds to the B-8 and B-8.1 forms.

- b) **PCN:** The four-digit position control number.
 - c) **Description:** Description, information or additional explanation.
 - d) **Indicator:** An indicator of "1" refers to permanent positions, an indicator of "2" refers to, board and group positions, and an indicator of "3" refers to elected officials.
 - e) **Class Code:** The five-digit class code associated with the position title.
 - f) **Fund/Dollars:** The first row titled "permanent positions" contains the fund-detail number. This column is used for dollar amounts for the Original Appropriation and also contains the variable benefit rates in the CEC decision unit range.
 - g) **FTP:** The Full-time Equivalent Position is the result of each position's Pay Period Hours and Percent of Year Worked.
3. **Fund:** In the column titled "Fund/Dollars" and the first row titled "permanent positions", enter the fund-detail number. Use a separate B-6 worksheet for each fund-detail.
 4. **WSR Salary and Benefits:** From the AU448143 report prepared at year-end, enter the FY 2007 estimated salary and benefits for regular and group positions, rounded to the nearest \$100. Enter FY 2008 estimated salary and benefits for regular and group positions rounded to the nearest \$100.
 5. **FY 2007 Original Appropriation:** In the DU 3.00 line, enter the FY 2007 Original Appropriation for Personnel Costs in the dollars column and the budgeted FTP for this fund in the FTP column.
 6. **Overfunding or Underfunding:** The difference between the WSR and the Original Appropriation is calculated in the line above the shaded row. These differences are called the Calculated Overfunding or Calculated Underfunding. Personnel Costs, as projected on the WSR, may not exceed, nor drop below, 5% of the current year appropriation. If an agency projects a salary savings for the current year that is within the 5% maximum, the same salary savings rate must also be projected into the budget request year.
 7. **Adjustment to Wage and Salary:** Any ongoing or one-time adjustments and corrections to the WSR should be made under this heading; e.g. salaries or benefits understated or overstated, a position funded by the wrong fund, or a position split between one or more programs. Adjustment must be explained under the "Description" column. The default formulas in the spreadsheet carry the adjustments into FY 2008. You may override these formulas if necessary.

Two adjustments are necessary to correctly calculate the actual needs for each program.

- a. **Premium Holiday Adjustment:** The amounts removed from the FY 2007 budget for the one-time premium holiday in decision unit 10.18 must be removed from the FY 2007 estimated needs. This will result in the increase necessary to completely fund the ongoing increases for health and life insurance for FY 2008. Entries should be a negative number.
- b. **Group Position Adjustment:** A line has been provided to adjust group position estimates to equal 2006 actual group personnel expenditures. Agencies will need to enter the difference between the 2007 budgeted group dollars and the 2006 actual group dollars expended. NOTE: If an agency spent more than the budgeted amount, then any entries will be a positive number. If an agency spent less than the budgeted amount for 2007, then any entries will be a negative number. A separate line may be entered to

restore part or all of the funding removed but such entries must be accompanied by a thorough explanation of the need to restore funding.

If the WSR Estimated Needs exceeds the current year's appropriation by more than 5%, adjustments must include the deletion of positions, elimination of temporary help, or other actions that will align personnel expenditure obligation with spending authority. If the current year's appropriation exceeds the WSR estimate by more than 5%, it will be necessary to reduce spending authority to bring it within 5% of the appropriation. Any positions currently vacant that the agency is not planning to fill in FY 2007 should be deleted. Submit the appropriate EIS forms to the State Controller's Office before you reflect the deletions on the B-6.

8. **Review:** Look over the Calculated Overfunding or Calculated Underfunding again. Notify agency management of a significant variance.
9. **Adjustments:** Include Expenditure Adjustments (hidden on example; e.g. FTP or fund adjustment) or Base Adjustments (e.g. transfer between programs) to calculate the FY 2008 Base. Match the Base to DU 9.00 on the B-8. Any benefits relating to positions transferred in DU 8.31 should be reconciled here with an upward or downward adjustment. This adjustment should net to zero agency-wide. Also, use DU 8.51 to remove any full-time equivalent positions and funding for those positions that will not be available in FY 2008.
10. **Maintenance DUs:** The benefits difference from FY 2007 to FY 2008 appears in DU 10.11. Include additional maintenance adjustments as necessary for refactored classes (10.42), annualizations (10.51), and nondiscretionary adjustments (10.71) that impact Personnel Costs. Requested fund shifts from capped funds should be included with the appropriate decision unit (i.e. 10.19 for benefit costs, 10.29 for inflation, etc). Fund shifts that are not created in maintenance decision units (10.00 series) should be prioritized as line items in the 12.00 series.
11. **Change in Employee Compensation:** The Excel spreadsheet includes two lines for CEC calculation. The first line, DU 10.61, starts with the Subtotal CEC Base for FY 2008 salary, and then removes the FY 2007 Salary for Group Positions. It then puts 3.5% of that amount in the Salary column. The variable benefit rates specified in the Fund/Dollar column are used to calculate the benefits on the CEC. You should adjust the template's variable benefit rate depending on whether your agency pays the Division of Human Resources fee and to reflect your estimated FY 2008 workers' compensation rate. The second line, DU 10.62, is used to calculate CEC for Group Positions. Input the dollar amount of the group position affected by CEC in the Indicator column and adjust the Variable Benefit Rates as needed for workers' compensation rates. HB 861 provided a salary increase for statewide elected officials effective January 2008. Accordingly, agencies should include any CEC for statewide elected officials in DU 10.63. Requests to shift funding for CEC from capped sources to other sources should be done in DU 10.69.
12. **Line Items:** Line items (DU 12.00 series) should be used for the Personnel Costs of newly requested positions. Each position should be shown separately and should be calculated using the entry-level amount plus 5%. Benefits for each new position should be calculated using the FY 2008 fixed and variable benefit rates. Use Appendix D for wage and benefit schedule for new positions. Also, use line items to request funding for positions that were funded with noncognizable funds in the current year and then removed from the FY 2008 Base and for

positions previously funded from a different source of revenue. Request these positions at anticipated expenditure levels including increased costs for benefits.

13. **FY 2008 Total Request:** The Total Request must reflect the FTP, salary, and benefits for each fund for each program. The total must tie to DU 13.00 on the B-8.

14. Hide unneeded rows and repeat for each fund in each program.

B-7 REPLACEMENT OPERATING EXPENDITURES & CAPITAL OUTLAY SUMMARY

The B-7 form provides details for the replacement Operating Expenditures and Capital Outlay, requested in DU 10.30 and for the additional items requested within line item decision units (DU 12.00 series). Complete one B-7 for each program in your budget request. Replacement Operating Expenditures is normally restricted to computer software upgrades.

List each item having a unit acquisition cost greater than \$500 separately. Only items with a useful life of more than two years should be included in Capital Outlay. Items with a useful life of less than two years should be included in Operating Expenditures. Check the STARS manual to verify the appropriate subobject codes. Agencies must indicate the quantity in stock **for the program** and the quantity requested in the appropriate columns. Each requested item **must** be identified as a replacement item (R) or, as in the case of a line item decision unit, as a new addition to stock (A), or as obsolete-retained (O) where the old unit is retained and carried in inventory for count information only and has no value. Replacement Operating Expenditures and replacement Capital Outlay should be identified separately on the B-7 form. Requests for recurring and replacement Capital Outlay should be listed first followed by replacement Operating Expenditures, and then new requests for Capital Outlay items. The fund for each requested item must be identified.

Replacement vehicles should be listed first, followed by new vehicles for each decision unit. Describe the general condition of each vehicle that is being replaced. Include information such as make, type, model, year, mileage, and date acquired. Recommended disposal mileage guidelines range from 75,000 to 100,000 miles and should be considered when requesting replacement vehicles. The condition of a vehicle should also be considered since mileage and time are only estimates of condition and anticipated repairs.

Describe the requested vehicle(s). Include size, type, or other information that describes the vehicle(s) requested and estimated date to be replaced. Identify the fund to be used for the purchase of the vehicle(s). Show projected cost of the new vehicle(s) and list optional equipment that is included in the cost of the new vehicle (e.g., air conditioning, automatic transmission, four wheel drive, etc.). Finally, describe the primary use of the vehicle (e.g., city, local, long distance, mountain terrain, etc.).

Requests for software should include the number of software licenses under the column headings of "Quantity in Stock" and "Quantity Desired".

Skip a line between decision units and round to the nearest \$100. Subtotals should be provided for decision units that include more than one requested item. The decision unit totals by individual program **must** agree with the amounts shown on the B-8 and B-8.1 forms.

Individual items costing less than \$500 each may be lumped together and listed as miscellaneous at the summary object level; however, the items should be identified as replacement (R), or addition (A) to stock, or obsolete-retained (O).

B-8 PROGRAM REQUEST BY DECISION UNIT

The B-8 form provides historical, maintenance, and line item information on a decision unit basis and is designed to document the program's budget request. Supplemental, nondiscretionary adjustments, and line item decision units should contain a description of a requested course of action, the expected benefits or impact of that action, and the positions and expenditures affected by each decision unit.

It will be necessary for agencies to sustain budget adjustments made in FY 2006 and FY 2007 throughout FY 2008. For instance, if an agency requests an object transfer in DU 6.41 for FY 2007, the agency needs to plan on sustaining this adjustment of spending authority over the long-term, without requesting additional spending authority to offset the effects of the transfer. Due to the long-term implications of these adjustments, detailed descriptions and justifications must be provided for budget adjustments above the base, as well as below it. Please work closely with your budget analysts to make sure that such adjustments are consistent with the agency's overall spending plans and priorities as well as statewide budget priorities. This is particularly important as we consider the impact and sustainability of these adjustments beyond FY 2008.

Major entries on the B-8 include:

DU 1.00	FY 2006 Total Appropriation
DU 2.00	FY 2006 Actual Expenditures
DU 3.00	FY 2007 Original Appropriation
DU 4.00	Appropriation Adjustments
DU 5.00	FY 2007 Total Appropriation
DU 6.00	Expenditure Adjustments
DU 7.00	FY 2007 Estimated Expenditures
DU 8.00	Base Adjustments
DU 9.00	FY 2008 Base
DU 10.00	Program Maintenance
DU 11.00	FY 2008 Total Maintenance
DU 12.00	Line Items
DU 13.00	FY 2008 Total Request

Decision unit categories 1 through 11 are very specific concerning the titles and information. The first number in the decision unit represents a major category in the submission process. For example, all decision units that begin with a "6" are current year Expenditure Adjustments. The first number to the right of the decimal point represents a specific type of Expenditure Adjustment. DU 6.40 is an Object Transfer the "4" referring to the specific type of Expenditure Adjustment. The second number to the right of the decimal point represents the priority of that Object Transfer within that particular program; for example,

DU 6.41 would be the first priority, DU 6.42 would be the second priority, DU 6.43 would be the third priority, and so on.

DU 1.00 FY 2006 Total Appropriation: The number of Full-Time Positions (FTP) and the appropriation, including supplementals and rescissions by object, has already been calculated and hard coded on the system for each fund and program total. If you receive a lump sum appropriation, state it in the description section and enter figures in the lump sum column. These amounts must reflect the total of the original appropriation plus any supplemental appropriations, rescissions, and any prior year appropriations carried forward (reappropriations) into FY 2006. **Appropriation bill numbers must be cited in the description block.**

DU 1.10 Net FTP and Fund Adjustments

DU 1.11 Lump Sum Allocation: Use this decision unit to transfer any FY 2006 lump sum appropriation into the object code(s) that you expected the expenditures to occur in.

DU 1.12 Noncognizable Adjustments: This is the net effect of changes in the number of positions in an agency or spending authority in the appropriation after the Legislature has adjourned resulting from noncognizable fund increases.

DU 1.20 Net Object Transfers: This is the net effect of transfers of spending authority between objects within all funds.

DU 1.30 Net Transfers Between Programs: This is the net effect of transfers of spending authority or of an activity in from another program or out to another program; the total of all transfers in must equal the total of all transfers out.

DU 1.40 Receipts to Appropriation: Record any increases to the appropriation resulting from proceeds from the sale of equipment or insurance settlements.

DU 1.50 Governor's Holdback/Board of Examiner's Reduction: Record any reductions to the appropriation resulting from Governor's Holdbacks or Board of Examiner's Reductions.

DU 1.60 Reverted Appropriation Balances: Show amounts by object of any appropriation balances that your agency did not spend or encumber for FY 2006.

DU 1.70 Reappropriation: Show amounts that have not been expended and will be used in the subsequent fiscal year by authorization of reappropriation authority by the Legislature.

DU 1.90 Other Adjustments: Other adjustments not covered in previous decision units.

B-8 Program Request by Decision Unit (continued)

- DU 2.00 FY 2006 Actual Expenditures:** The amounts should reconcile to the State Controller's Office reports 0209 and 0237. They may not agree with actuals reflected on the B-12 because this form displays all beginning and ending encumbrances regardless of the year of origin.
- DU 3.00 FY 2007 Original Appropriation:** This decision unit must contain the **original** appropriation for the current year and has already been hard coded on the system for each fund and program total. If you received a lump sum appropriation state that in the description section. **Appropriation bill numbers must be cited in the description block.**
- DU 4.00 Appropriation Adjustments:** Adjustments made, or to be made, by legislative action to the FY 2007 Original Appropriation should be made in separate decision units and numbered in the specific order by category. Types of adjustments listed in the required order are:
- DU 4.10 Reappropriation:** Legislative authority to utilize unspent and unencumbered funds from FY 2006 during FY 2007. List amount and how it will be spent. Cite the bill and section number. Reference this item as DU 4.11.
- DU 4.20 Surplus Eliminator:** If a program received a "Surplus Eliminator Appropriation," list it next as DU 4.21. Cite the bill number.
- DU 4.30 Supplemental:** If more than one supplemental is requested, list them in priority order with the highest priority first (DU 4.31, 4.32, etc.). If there are supplementals requested for two or more programs, indicate (in the description section of each supplemental) what its priority is in relation to all other supplemental requests. Also describe the requested course of action, the expected benefits or impacts, and the decision unit's cost. A B-8.1 form must accompany all requests for supplemental appropriations.
- DU 4.40 Rescission:** A change to the original appropriation that reduces spending authority that is enacted by the legislature in the current fiscal year.
- DU 4.60 Deficiency Warrants:** Deficiency Warrants are expenditures that are authorized but for which no specific appropriation is provided until after the expense amount is known. Examples include fire suppression costs and agricultural pest eradication expenses. This decision unit accounts for deficiency warrants separately from supplemental appropriations. Deficiency warrants are a special kind of supplemental, requiring separate reporting.
- DU 4.70 Revenue Adjustments:** This decision unit is used in conjunction with DU 4.60 to request the transfer of funds from one fund source to the appropriate fund for expenditure. For example, the Department of Lands and the Department of Agriculture use this DU to transfer General Fund Supplementals to the Pest Control Deficiency Fund.
- DU 4.90 Other Adjustments:** (if any)
- DU 4.91 Lump Sum Allocation:** Agencies which received lump sum authority in the FY 2007 Original Appropriation must record an object transfer to the lump sum column for all adjustments made in DU's 4.10 through 4.79.
- DU 5.00 FY 2007 Total Appropriation:** This is the numerical total of DU 3.00 and any adjustment decision units.

B-8 Program Request by Decision Unit (continued)

DU 6.00 Expenditure Adjustments: Other FY 2007 adjustments are addressed in the following order:

DU 6.11 Lump Sum Allocation: All FY 2007 Lump Sum appropriations must be allocated to the appropriate object class in order to establish the basis for development of the FY 2008 budget request.

DU 6.20 Governor's Holdback: A temporary reduction in spending authority ordered by the Governor and effective until the legislature acts upon it at which time it becomes permanent.

DU 6.30 FTP or Fund Adjustment: Two separate types of adjustments may be reflected. One is to reallocate positions between funds. These changes generally net to no change in the total FTP number. They can result in a net decrease. Position increases should only occur in a program that does not have an FTP cap in its appropriation. The second type of change, which may also result in an FTP increase, is to reflect additional noncognizable nonstate funding. All noncognizable nonstate fund increases must be reflected as one-time and removed from the base in DU 8.41. If the noncognizable increase provides for a new program that will be ongoing into the future, an appropriate line item (DU 12.00) must be completed.

DU 6.40 Object Transfer: Show and explain transfers; the change for each fund must total zero.

DU 6.50 Transfer Between Programs: This is the transfer of spending authority or of an activity in from another program or out to another program; the total of all transfers in must equal the total of all transfers out. All transfers require explanation.

DU 6.60 Board of Examiners Reduction: Used only when executive branch reductions in FY 2007 spending authority are necessary.

DU 6.90 Other Adjustments: (if any)

DU 7.00 FY 2006 Estimated Expenditures: This decision unit is the mathematical total of the FY 2007 Total Appropriation (DU 5.00) and all intervening adjustments (DU's 6.10 through 6.90).

DU 8.00 Base Adjustments: Adjustments that occur after the FY 2007 Estimate, but before FY 2008, should be made in separate decision units. **The decision unit categories must be listed in the following order.** (*Within each category, if there is more than one decision unit, they should be listed in priority order — e.g., 8.11, 8.12, 8.13.*)

B-8 Program Request by Decision Unit (continued)

- DU 8.10 FTP or Fund Adjustment:** Three separate types of adjustments may be reflected. One is to reallocate positions between funds. These changes generally net to no change in the total FTP number. They can result in a net decrease but may not result in an increase. Requests to increase the number of positions should be line item decision units (12.00 series). The second type of change is to reallocate expenditures between funds. Only noncontroversial fund shifts may be reflected here. Any adjustment that results in an increase in General Funds or may otherwise be subject to question should be reflected in a line item (12.00 series). The third type of change is to reflect reductions in positions and/or funds.
- DU 8.20 Object Transfers:** Show and explain all transfers; the net change for each fund must total zero.
- DU 8.30 Transfer Between Programs:** This is the transfer of spending authority or of an activity in from another program or out to another program; the agency-wide total of all transfers in must equal the total of all transfers out. All transfers require explanation on a B-8 form.
- DU 8.40 Removal of One-time Expenditures:** Remove any items that were provided for FY 2007 only. This includes FY 2006 reappropriations, surplus eliminator appropriations, all nonrecurring Capital Outlay, and all noncognizable fund increases. Library books and long-term lease purchase agreements are the only Capital Outlay items that fit the recurring definition and thus, need not be removed from the base; these will require documentation. Additional replacement Capital Outlay and Operating Expenditures requests are allowed in DU 10.30 at the MCO level.
- DU 8.50 Base Reduction:** If specifically directed by the Governor or desired by the agency.
- DU 8.90 Other Adjustments:** (if any)
- DU 9.00 FY 2008 Base:** This decision unit entry should reflect the base upon which additional requests for the budget year will be developed. It is the mathematical total of the FY 2007 Estimate DU 7.00 and all intervening adjustments (DU's 8.10 through 8.90). Make sure DU 9.00 includes no one-time funding.
- DU 10.00 Program Maintenance:** This decision unit series provides the basic increases necessary to maintain the current state of operation for each program. The base used in computing increases, together with justification for such increases, should be included in the description block. Like DU's 6.10 through 6.90 and 8.10 through 8.90, proper sequencing of the MCO decision units is necessary. If a certain fund source has insufficient revenue to fund its portion of any of the maintenance decision units, its costs may be picked up by other funds within that DU series. Make sure the amounts of these fund-shifts are identified and explained in the narrative of each decision unit. **Use DU 10.19, 10.29, and 10.69 to identify the fund shift (see sample budget for example).**

B-8 Program Request by Decision Unit (continued)

- DU 10.10 Employee Benefit Costs:** A budgetary adjustment for changes in the cost of maintaining a range of employer-paid benefits for state employees such as Social Security, retirement (PERSI), unemployment insurance, health insurance, etc. If a certain fund source has insufficient revenues to fund employee benefit costs, its costs may be picked up by other funds. Make sure the amounts of these fund shifts are identified and explained in the narrative (DU 10.19).
- DU 10.20 Inflationary Adjustments:** Cost increases related to inflation are recorded here. Completion of form B-4 is required for both general and medical inflation (see page 15 for instructions). The FY 2008 Base amounts for fixed costs and interagency nonstandard adjustments (10.40 series) and those categories for which the agency is requesting funding in a nondiscretionary adjustment must be removed must be removed from the base before applying the general inflation factor. If a certain fund source has insufficient revenues to fund inflation, its costs may be picked up by other funds. Make sure the amounts of these fund shifts are identified and explained in the narrative (DU 10.29).
- DU 10.21 General Inflationary Adjustments:** General inflation adjustments may be calculated in one of two ways. A 1.81% general inflation factor may be applied to the non-medical FY 2008 Operating Expenditures and Trustee and Benefit base on the B-8 form. Alternatively, inflation may be calculated using form B-4 that requires an analysis of costs by summary object. Regardless of the calculation method chosen, the base amount of interagency nonstandard adjustments that are separately budgeted (in the 10.40 series) must be removed from the non-medical FY 2008 Operating Expenditure Base before computing general Operating Expenditure inflation.
- DU 10.22 Medical Inflationary Adjustments:** A 3.06% medical inflation factor may be applied to the Operating Expenditures and Trustee and Benefit base for medical care costs.
- DU 10.30 Replacement Items:** Replacement Operating Expenditures and Capital Outlay necessary to maintain current operations. Each item should be listed on the B-7 form.
- DU 10.40 Interagency Nonstandard Adjustments:** Adjustments resulting from changes in interagency costs should be reflected in this decision unit series. Include the base amount currently in the budget in the description area of each decision unit in this series. Fees resulting from operational impacts, program expansion or new program development, in addition to reclassification costs, should be included as part of a line item decision unit. See Appendix B, for additional DU category numbers.
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|-----------------|---------------------------------------|-----------------|--------------------------------------|
| DU 10.41 | Attorney General Fees | DU 10.45 | Risk Management Cost Increase |
| DU 10.42 | Refactored Classes | DU 10.46 | Controller's Fee Charge |
| DU 10.43 | Legislative Audits | DU 10.47 | Treasurer's Fee Charge |
| DU 10.44 | Building Services Space Charge | | |
- DU 10.50 Annualizations:** Personnel Costs, Operating Expenditures, and Trustee/Benefit Payments not fully funded in prior years. List year(s) and explain reason(s) that led to spreading the costs over more than one year.

B-8 Program Request by Decision Unit (continued)

DU 10.60 Change in Employee Compensation (CEC): Agencies will be required to compute a CEC decision unit based on a 3.5% employee compensation factor for permanent employees. Each CEC decision unit information block (DU 10.60) should accurately contain the base salary by fund source and be broken out by classified, nonclassified, and board positions. If a certain fund source has insufficient revenues to fund CEC its costs may be picked up by other funds. Make sure the amounts of these fund shifts are identified and explained in the narrative (DU 10.69).

DU 10.61 Salary Multiplier: Reflect the cost of a 3.5% salary increase for permanent positions (except for those whose salaries are set by law) and those group positions tied to the classified salary schedule. Refer to the B-6 form for instructions (see page 17) on computing the cost of permanent staff increases.

DU 10.62 Group and Temporary: Other group and temporary position increases are to be computed per the instructions also found on page 17.

DU 10.63 Elected Official Salary Increase: Salary increases for elected officials see page 19 for instructions.

DU 10.70 Nondiscretionary Adjustments: Adjustments necessary to maintain current operations that the agency has no control over. These adjustments should be made because of a caseload adjustment.

Use the following criteria as a guideline to determine whether the request is a caseload adjustment:

Nondiscretionary caseload adjustments:

1. Cost adjustment is demographically-driven; and
2. Participation in the program is eligibility-driven; and
3. The agency has no ability to control the demographics or eligibility criteria; and
4. The agency has no choice but to provide the service to those meeting the eligibility criteria; and
5. Costs are not associated with the opening of a new or expanded facility.

Examples of nondiscretionary adjustments are Public Schools statutory requirements, post-secondary education enrollment growth, Medicaid, foster care programs, and the cost of housing prison inmates in non-state facilities and existing state facilities. Eligibility for inclusion in this decision unit series is to be narrowly construed. Examples of discretionary adjustments that do not qualify for inclusion in the 10.70 series are noncognizable non-state fund increases, occupancy costs for new facilities, and rent increases for additional space. Discretionary adjustments need to be placed in the line item 12.00 series.

B-8 Program Request by Decision Unit (continued)

Also, complete a form B 8.1 to detail the need for the adjustment and the current amount in the base budget for the identified activity. Any amounts requested in this series must not be included as part of the general or medical inflationary adjustments in the 10.20 series.

Requests for discretionary adjustments for program expansions (additional office space, additional miles driven, etc.) must be requested as a line item (12.00 series).

DU 11.00 FY 2008 Total Maintenance or MCO Budget Request: This decision unit is the final one for each program requesting funds for a MCO budget. It must be the mathematical total of the FY 2008 Base DU 9.00 and the DU 10.00 series.

Decision units beyond the Maintenance of Current Operations level:

DU 12.01 - 12.79 – Line Items: Line item decision units (sometimes referred to as "after-maintenance" decision units) must be listed in agency and program priority order, from the highest to lowest. Within each program, line item decision units should be numbered in consecutive order starting with DU 12.01 and proceeding to a maximum of DU 12.79. A B-8 and a B-8.1 form must be filled out for each line item decision unit. The B-8 form does not have a place to indicate the agency priority but the B-8.1 form does. The agency priority ranking will enable agency management to clearly indicate its judgment of the relative importance of each line item decision unit in the budget request. Each line item decision unit must also have a title. Titles should be as descriptive as possible, such as "increase foster care payment levels" or "automate the budget development process."

Please provide appropriate expenditure details to fully explain each line item decision unit. Indicate the number, type, salary, benefit amounts, and proposed dates of hire for all positions. Operating Expenditures should be broken into their relevant components. The same is true for Capital Outlay and Trustee/Benefit Payments. If a line item decision unit includes some one-time funding and ongoing funding be specific about the amounts by checking the OT box on the appropriate line next to the fund column on the B-8 form and using a separate line for one-time and ongoing funding. Include all capital budget requests associated with maintenance, operations and occupancy, such as staffing, maintenance of building grounds, and furnishings, that are necessary to make the building fully functional for the purpose that it was designed and built.

DU 12.80 Revenue Adjustments: Use DU 12.81 in conjunction with a line item decision unit to request the transfer of revenue from one fund source to the fund from which the actual expenditure will occur. Use this decision unit only in the case of an infrequent request for the transfer of one-time funding for a program. For example, the Governor's Emergency Fund may be periodically funded with a General Fund increase then transferred, using a revenue adjustment, to the Governor's Emergency Fund. Annual funding requests for transfers to funds such as the Guardian Ad Litem Account, Catastrophic Health Care Fund, Cooperative Welfare Fund, and the Public Health Trust Fund should not be included in this decision unit.

B-8 Program Request by Decision Unit (continued)

DU 12.90 Lump Sum Allocation: Agencies may request lump sum appropriation in DU 12.91. Justification for lump sum appropriation must be presented in the DU description field. Lump sum appropriation will be recommended by the Governor and determined by the Legislature based on the merits of each request and the expressed needs of the agency. Granting of prior lump sum appropriation by the Legislature does not guarantee continuation of the practice.

DU 13.00 FY 2008 Total Request: This decision unit is the final one for each program. It **must** be the mathematical total of DU 11.00 and all line item decision units (12.00 series). To facilitate final executive and legislative review, this decision unit should be shown with the appropriate totals shown by object and fund along with FTP amounts. The Personnel Costs must tie to the B-6.

B-8.1 PROGRAM REQUEST BY DECISION UNIT

The B-8.1 form is a companion to the B-8 form for supplemental requests (4.30 series), nondiscretionary adjustments (10.70 series), and line item (12.00 series) decision units. The B-8 form is used to provide a short description and expenditure data by fund and object, while the B-8.1 form is used to provide more detailed information. In addition to reflecting costs at the summary object level and answering the questions on the form, the agency priority ranking should also be provided. Separate rankings should be done for supplementals, nondiscretionary adjustments, and line item decision units. For example, if you have three supplemental requests identify the first, second and third priority. Do the same for nondiscretionary adjustments and line item decision units.

Provide appropriate expenditure details to fully explain the decision unit. A series of questions have been developed to acquire information regarding the request. Responses to the questions along with completion of the financial data matrix **by summary object** are essential to understanding the need for the request. Attach response pages to the B-8.1 form. **Be sure to delineate between one-time and ongoing requests.**

Before submitting line item requests for information technology hardware, software, or systems development projects, you must receive prior approval from the Information Technology Resource Management Council (ITRMC).

B-11 AGENCY RECEIPTS

This form provides information on agency receipts and its information must support the request information on the B-2 and B-8 forms. Each agency **must** include this form with its budget request. **Submittals received that do not contain Form B-11 will be returned to the agency as incomplete.** Agencies having no receipts (income produced and/or received) should indicate "N/A" (not applicable) on the form. The agency's appropriation figure need not appear on this form. Some agencies may be requested to provide receipt information in more detail than the receipt code level.

The form is divided into two sections. Complete the top section by listing, in the nine columns provided, the following information:

Revenue Source

- Column 1. **Class Code:** Enter the STARS class code under which the receipt was deposited. The agency operating under the dedicated fund will report deposits that are initially received by the State Treasurer or State Controller for credit to a dedicated fund.
- Column 2. **Description:** Enter either the STARS subobject title associated with the code entered in column 1 or a more descriptive revenue category used within the agency. Since the purpose of this column is to describe the nature of the receipt, please be specific and provide the name of the granting agency or institution.

Fund Disposition

- Column 3. **No.:** Enter the State Controller's fund code for the fund into which the receipts were deposited.
- Column 4. **Title:** Enter the fund name associated with the code entered in column 3. (Enter the fund name once)

Receipts

- Columns 5-9 Type the fiscal year in the column headings, beginning with FY 2003 through FY 2008.
- Columns 5-7 Enter the actual receipts, rounded to the nearest one hundred dollars, for each of the fiscal years indicated.
- Columns 8-9 Enter the estimated receipts, rounded to the nearest one hundred dollars, for each of the fiscal years indicated.

The second section of the form is to be completed by entering the total receipts for each fund listed in the first section and totaling these amounts for a grand total. Indicate any significant assumptions you are using in estimating receipts in "Significant Assumptions". These assumptions could include economic factors, proposed legislative changes, or administrative decisions. Estimated receipts need not reconcile to DUs in Request Totals DU 13.00 but should be the best estimate of revenues expected during the fiscal year. Explain any significant assumptions in FY 2007 or FY 2008 data if applicable; add attachments if necessary.

B-12 ANALYSIS OF FUNDS

This form is designed to show the cash flow for all operating funds other than the General Fund. It corresponds with the information provided on the B-2 and/or the 0209 and 0237 reports provided by the State Controller's Office, with one exception. The liquidation of prior year encumbrances will cause a variance in the expenditure year in the same amount as the liquidated prior year encumbrance. Other variances are not appropriate in reconciling these forms. Additional information may be requested if the frequency and/or magnitude of these impacts are warranted in the view of your DFM or LSO-BPA analyst. (Do not include rotary funds or suspense funds.)

- 1a. Show the fund title.
- 1b. Show the six-digit fund code.
- 2-6. Enter the fiscal year in the column headings, beginning with FY 2003 going through FY 2008.

For each given year:

- 7. Show the Controller's "Beginning Free Fund Balance" (unencumbered balance) as of July 1.
- 8. Show outstanding encumbrances as of July 1.
- 9. Show cash receipts. NOTE: These should agree with the total shown for the fund on the B-11.
- 10. Show the fund title and code of any funds from which you receive transfers in.
- 11. Total the three items above to show the total amount available for the year.
- 12. Show the fund title and code for funds that receive transfers out from this fund.
- 13. Show cash expenditures (including inter-agency expenditures).
- 14. Show outstanding encumbrances as of June 30.
- 15. Subtract transfers out, cash expenditures, and June 30 encumbrances from funds available for the year, leaving the Controller's "Ending Free Fund Balance" as of June 30.

Carry totals on lines 15 and 14 to lines 7 and 8 in the next column. Follow these steps (7-15) for each given year.

CAPITAL BUDGET REQUESTS

The Capital Budget is designed to integrate the planning, evaluation, and budget decisions for capital expenditures of all state agencies regardless of funding source. Capital expenditures are any costs for permanent improvement to real property. Since capital expenditures commit the state to specific plans and policies for future years, the Capital Budget will ensure that the plans and policies of state agencies are consistent with the long-range goals and needs of the state.

Division of Public Works (DPW) - Capital Budget. These instructions pertain to all buildings, structures, and land acquisitions designed for state and public administrative use regardless of funding source. They also pertain to any major alteration and repair projects on the same facilities. Forms to complete your Capital Budget request may be obtained from DPW. DPW staff and software are available to assist in defining project costs. Please call 332-1900 for assistance.

For each category listed below indicate the agency-wide priority for each request. All sources of funds (including the Permanent Building Fund) should be reflected for each project.

- 1. Alteration and repair projects:** These are not to include preventive maintenance projects as defined by *Idaho Code 67-5710B*, nor projects estimated to cost less than \$30,000. Priorities are:
 - Projects required to save the structure from further deterioration or damage, such as roofs
 - Projects required to provide a safe environment and/or to meet codes and new program requirements such as handicapped accessibility, licensing, and life/safety — **separately identify projects required to comply with the Americans with Disabilities Act (ADA)**
 - Projects for repair, upgrade, or replacement of structural, electrical, or mechanical systems
 - Exterior repairs or renovations
 - Interior repairs or renovations
- 2. Asbestos abatement projects:** These projects should be prioritized by potential exposure to the public, clients, and state employees. Any construction projects, renovation or remodeling, which may involve asbestos abatement should be clearly highlighted. These projects should include specific locations, product type if known, and any survey results if available.
- 3. Underground storage tanks:** DPW will maintain the required tank tightness testing program and follow-up testing. In addition, DPW will request funding for the costs related to assessment and remediation. Please indicate the location and number of tanks requested to be removed.
- 4. New construction, additions, or major remodel:** The request for these projects should include a narrative describing the condition of the old facility, the feasibility of renovation to meet new programs or needs, the proposed new use or disposition of the old facility, the impact on the operating budget and level of service as a result of the new facility (including future year impacts), and the consequences if the project is not funded. Project estimates should include:
 - land acquisition
 - off-site development costs (if any)
 - architect/engineer fees
 - construction costs
 - miscellaneous costs and contingencies

5. Building demolitions: Identify each building, why it should be demolished, the extent to which it is currently being used, and the estimated demolition costs.

Six-year plan for new construction, major renovation, or major remodel: For FY 2008 through FY 2012 inclusive, each agency should include a listing of projects, in priority order, with an estimate of future value.

Five-year facility plan: *Idaho Code* 67-5708 B requires agencies to produce a five-year facilities plan to be submitted with the budget request document. Starting July 1, agencies may download the forms necessary to complete the five-year plan off of the Department of Administration's website. Agencies with more than five locations are also required to complete a summary form. Please return all forms electronically to the Department of Administration at Facilityplan@adm.state.id.us and include a hardcopy of the forms with your FY 2008 Budget Request.

A complete copy of the your Capital Budget request must also be submitted to DFM along with your operating budget request.

Capital Budget requests that are to be funded from sources other than the Permanent Building Fund should also be placed in the agency's operating budget request if an appropriation is required.

Costs associated with the maintenance, operations, and occupancy of any Capital Budget request, such as staffing, building maintenance, grounds, furnishing, etc., need to be requested as a line item (12.00 series) decision unit in the operating budget request in the year the facility will come on line. These costs are necessary to make the building fully functional for the purpose for which it was designed and built.